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The **USAID Public Policy Program (the Program)** supports the Government of Colombia (GOC) in developing and implementing targeted public policy reforms that improve the quality, efficiency and accountability of Government. The Program's Labor Component focuses on promoting respect for labor rights and more functional labor markets. The Labor Component's approach is oriented towards the identification of key reforms to improve labor inspection, increase respect for workers' rights and develop the technical capacity to make appropriate decisions in the area of labor market policy and employment generation.

When the GOC enacted Law 1444 of 2011 on May 4, President Santos was given six months of special powers to create six independent ministries of Labor, Interior, Justice, Environment, Health, and Housing and Territorial Development from three existing ministries. To accomplish this historic institutional restructuring of Ministries, the High Commissioner for Good Governance requested the Program's technical assistance on the structural design of the new Ministry of Labor.

The Program actively participated in the establishment of the new Ministry of Labor, which involved a comprehensive reform to enable the GOC to promote the creation of dignified jobs, formalized labor and good relations between workers and employees.

The Program's technical institutional design study was a key input to Decree 4108 of 2011 (issued November 2), which stipulated the objectives, functions and structure of the new Ministry of Labor. Based on the Program's recommendations, the Decree determined that the Ministry would include two Vice-Ministries (Employment and Labor Relations). The Employment Vice-Ministry, which is in charge of generating job creation and quality employment policies, was created following the recommendation of the Program and the High Commissioner for Good Governance. In addition, the GOC's Decree implemented another key Program proposal: to create a Special Unit within the Ministry in charge of monitoring labor market performance.

The Program's technical study was also the basis for other significant changes. For example, the new Ministry of Labor assumed responsibility for retirement pensions. Initially, pension policy design and implementation was placed under the new Ministry of Health and Social Security. However, the Program considered pensions as highly dependent on the functioning of the labor market, and concluded that they should be the responsibility of the Ministry of Labor. The High Commissioner for Good Governance accepted the Component's advice.

In addition, the Program provided technical assistance to improve the labor inspection system, based on a workshop the Program held with the High Commissioner for Good Governance in July 2011. This workshop included, besides labor inspections, a general discussion of the purpose and structure of the new Ministry of Labor. As a result of the Program's suggestions in this area, the new Ministry of Labor will introduce risk analysis as a way to target inspection activities at areas where labor rights violations are more likely to occur. In addition, the Program also recommended separating labor inspection activities from inspection planning and inspection policy design within the Vice-Ministry of Employment, which is intended to make it easier for the labor inspectors to concentrate on their inspection activities.

The aforementioned achievements have contributed to the most visionary reforms regarding labor-related institutional policy and design in the last 20 years in Colombia. The USAID Public Policy Program's contribution of technical assistance to the GOC will allow the Ministry of Labor to fulfill its mission, which is: to formulate, adopt and direct public policy on labor in order to help improve the quality of life of all Colombians; to guarantee the right to decent work by identifying and implementing strategies to generate and formalize employment; and, to respect fundamental rights to work, social dialogue and security in old age.